Testimony Re: SB 46
Senate Public Health and Welfare Committee
Presented by Mark Dwyer, PT, MHA on behalf of the Kansas Physical Therapy Association

January 28, 2013

Madam Chair and Members of the Committee,

Thank you for allowing me to speak today. I am Mark Dwyer, a Physical Therapist, and I am in support of SB 46. I have practiced as a physical therapist since 1987 and have worked in multiple settings, including inpatient hospital, outpatient, skilled nursing facility, inpatient rehabilitation facility, and work hardening/industrial rehabilitation.

I support SB 46 because this bill would allow patients to self-refer themselves to physical therapists if/when the patient chooses to do so. It still requires the PT to send to the physician a copy of the evaluation within 5 working days, and it requires the PT to secure a physician referral should the patient not demonstrate progress within 10 visits or in 15 business days.

There are already seventeen (17) states that have complete unrestricted patient self-referral to physical therapy, which allows patients full access, without any restrictions to physical therapy services. **This is not a new policy**, as the majority of these states instituted patient self-referral 20-30 years ago! Listed below are those states along with the year their unrestricted patient self-referral was enacted. If you do the math you will see that the United States already has a combined ***470 years*** of experience with unrestricted patient self-referral to physical therapy services.

Alaska – 1986
Arizona – 1983
Colorado – 1988
Hawaii – 2010
Idaho – 1987
Iowa – 1988
Kentucky – 1987
Maryland – 1979
Massachusetts – 1982
Montana – 1987
Nebraska – 1957
Nevada – 1985
North Dakota – 1989
South Dakota – 1986
Utah – 1985
Vermont – 1988
West Virginia – 1984

Another twenty (20) states have provisional access that allow patients to self refer to a physical therapist for a period of time, much like what is contained in SB 46. Therefore, SB 46 is meant to allow Kansans to self refer much like those in the other 37 states referenced above but which is not possible today in Kansas.

Our opponents will state they have safety concerns regarding patient self-referral to PT services. However, in those states with complete unrestricted patient self-referral or provisional self-referral to PT services there is no record of a safety problem, and in none of those states have those laws been repealed. To our knowledge, there has never even been any action taken to try to

repeal these laws by any physician group or any other group. One would think that if patient self-referral to physical therapy was such a safety risk, groups would be trying to repeal it and legislatures would be taking action. Yet there has been no activity of that kind in any of those states.

The Kansas Health Institute article[1] titled, "Collaborative Efforts Can Save Money and Improve Care" that is included in my "Supporting Documents" demonstrates the cost saving power of providing businesses, insurers, and patients a choice in their providers. As the article states, "Rather than waiting to see a doctor, Cady and other patients with routine back pain now see a physical therapist within 48 hours of calling, compared with about 19 days previously, Intel says. They complete their treatment in 21 days, compared with 52 days in the past. The cost per patient has dropped 10 percent to 30 percent due to fewer unnecessary doctor visits and diagnostic imaging tests. And patients are more satisfied and return to work faster." This came about because of "an unusual collaboration between Intel, two local health care systems, and a health insurer." Also note that nowhere in this article is there any mention of patient harm as a result of seeing physical therapists first.

There is a more interesting aspect to this article, however. **It is that under current State law we could not create that type of program here in Kansas.** Oregon has provisional patient self-referral for up to sixty (60) days, similar to SB 46 but for a long period than SB 46 would allow. By passing SB 46 you would allow Kansas employers, insurers, and patients the opportunity to establish these collaborative programs that will provide high quality care while at the same time **lowering costs** for everyone involved.

To further demonstrate the cost savings that patient self-referral can generate, see the recently published study in Health Services Research (abstract is included in my "Supporting Documents") that documents these results, "Self-referred episodes had fewer PT visits (86% of physician referred) and lower allowable amounts ($0.87 for every $1.00)". See the table below for the differences found between self-referred PT episodes of care compared to physician referred episodes of care.

	SELF-REFERRED	PHYSICIAN REFERRED
Average Age	43.6	45.9
Average visits per episode	5.9	7.0
Allowable amount per episode	$347	$420

The data above represent a 16% *reduction* in visits and a 17% *reduction* in the cost of care.

Lowering costs is important in today's system since changes that have occurred in insurance coverage over the last ten years is placing more of the financial responsibility for care on the patient. **Because of that, it is now more important than ever to provide patients more choice in the health care services they receive**. Many employers and insurance companies have embraced consumer directed health plans that put more of the financial responsibility on the shoulders of the patients. These involve medical savings accounts tied to high deductible health insurance plans. Even "regular" insurance plans are now instituting high deductibles, as high as $3,000, $4,000, and even over $5,000, along with high co-pays and 20% or higher co-insurance.

The theory behind putting more of the cost burden on the patient is that it will force patients to be active participants in their health care and create incentives for patients to choose more carefully when to receive care and who to receive it from so as to reduce cost. However, the only way in which this can be an effective long-term strategy for the American and Kansas health care

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[1] http://www.khi.org/news/2012/jan/06/collaborative-efforts-can-save-money-and-improve-c/

systems is **<u>if patients can actually exercise those choices</u>** in what health care to seek out and who to receive it from.

It's not as if patients are alone in wanting to exercise these choices. Employers, insurance companies, and even some government payors are designing coverage packages that specifically place this decision making responsibility on the patient, but what good is it is the patient cannot make those decisions because State law prevents them from doing so?

Those changes are having the desired effect, too, as demonstrated in the just released CMS "National Health Expenditure Data"[2] report. In that report it states, "U.S. health care spending grew 3.9 percent following record slow growth of 3.8 percent in 2009; the two slowest rates of growth in the fifty-one year history of the National Health Expenditure Accounts". That is great news in that we are slowing health care spending in the U.S.! This report attributes some of this slowing to "higher cost-sharing requirements for some employers," which is what I describe above in that patients are taking on more of the cost responsibility for their care. Interestingly, it also goes on to attribute some of the cause of the slower growth to "a decline in private health insurance enrollment", which places ALL of the health care cost burden on the patient.

In light of the fact that our health care system seeks to put more of the financial responsibility on the patient, AND that it's actually working to reduce the growth in health care spending, **the patient has to be given the CHOICE of where to receive that care**. In the thirty-seven (37) states described above, patients can exercise their right to see a PT should they choose to do so, and it is clear that there is not a safety issue in those states. In Kansas we cannot access PTs when we want to, and you cannot either, even if you pay for it out of pocket. This is costing Kansas businesses, insurers, and patients more than it is in those states that allow patient self-referral to PT services.

As a result of this overwhelming evidence favoring patient self-referral to physical therapists, I ask that you pass SB 46 so as to allow the citizens, employers, and insurers in Kansas the same ability to access physical therapist services as our neighbors enjoy in Iowa, Nebraska, and Colorado, and that led to significant cost savings at Intel in Oregon.

Thank you for permitting me to testify. I welcome any questions you may have for me.

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[2] https://www.cms.gov/nationalhealthexpenddata/

Physical therapists are health care professionals who restore and improve movement and to enable individuals of all ages to have optimal functioning and quality of life. Physical therapists promote health, wellness, and fitness through risk factor identification and implementation of services to reduce risk and slow the progression of or prevent disability.[1]

Physical Therapists Provide High Value Services for Patients
There is strong evidence to indicate that physical therapists are a cost effective alternative to medication and surgery for many conditions.

- **Low Back Pain:** Recent studies indicate that physical therapists who combine manual mobilization techniques with appropriate therapeutic exercises can effectively alleviate low back pain with long-lasting effects.[2,5]

- **Knee Arthritis:** There is scientific evidence that physical therapy, combined with comprehensive medical management, is just as effective as surgery for relieving pain and stiffness of moderate to severe osteoarthritis of the knee.[3 -4]

- **Tendonitis, Bursitis, and Arthritis:** Research shows that individuals who receive active physical therapy experience greater improvement in function and decreased pain intensity.[5] In fact, for patients at risk of heart disease, the American Heart Association encourages individuals to see a physical therapist for initial treatment of musculoskeletal pain rather than taking prescription pain medication.[6]

- **Vertigo:** Benign paroxysmal positional vertigo (BPPV) is the most common cause of vertigo due to a peripheral vestibular disorder. Research indicates that most patients improve rapidly when treated by physical therapists.[7-9]

- **Breast Cancer-Related Lymphedema:** Secondary prevention of lymphedema through prospective physical therapy surveillance aids in early identification and treatment of breast cancer-related lymphedema. Recent studies indicate that early intervention may reduce the need for intensive rehabilitation and may be cost saving.[10]

- **Wound and Ulcer Management:** Physical therapists effectively provide treatment for skin repair and protection and educate the patient and caregiver on the prevention of pressure ulcers associated with certain conditions such as spinal cord injury and diabetes.[11-12]

- **Incontinence and Pelvic Floor Disorders:** Research on the conservative management of pelvic floor disorders supports physical therapist practice for these conditions, even over medical and surgical options for some patients.[13-15]

- **Type II Diabetes:** Exercise, along with dietary intervention, represents first-line therapy for diabetes mellitus. Physical therapists play an important role in reducing disease risk indicators for these individuals.[16-18]

The Right Care for the Right Patient at the Right Time
- In a 2011 study of 63,000 episodes of physical therapy care, researchers found that self-referred patients had fewer PT visits and lower physical therapy costs and lower use of related health care services such as diagnostic testing and injections.[19]
- Recent studies demonstrate that physical therapists have higher levels of knowledge about managing musculoskeletal conditions than most physician specialists except for orthopedists.[2]
- Early treatment of musculoskeletal injuries results in improved outcomes and reduced costs.[TBA]

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SUPPORTING DOCUMENTATION

Wellmark Blue Cross and Blue Shield 2008 Pilot Program

The Wellmark Blue Cross and Blue Shield 2008 pilot program, a quality improvement program for Iowa and South Dakota physical medicine providers, collected data from 238 physical therapists, occupational therapists, and chiropractors who provided care to 5,500 Wellmark members with musculoskeletal disorders.

The data showed that 89% of the Wellmark members treated in the pilot reported a greater than 30% improvement in 30 days. In addition, Wellmark claims data for members who received care from physical therapists or chiropractors was compared with data for a member population with similar demographics (including health) who did not receive such services. The comparison showed that those who received physical therapy or chiropractic care were less likely to have surgery and experienced lower total health care costs.

From the CMS National Health Expenditures 2010 Report

"**Out-of-Pocket:** Out-of-pocket spending grew 1.8 percent in 2010, an acceleration from growth of 0.2 percent in 2009. Faster growth in 2010 partially reflects higher cost-sharing requirements for some employers, consumers' switching to plans with lower premiums and higher deductibles and/or copayments, and the continued loss of health insurance coverage." *https://www.cms.gov/NationalHealthExpendData*

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RESEARCH ARTICLE

A Comparison of Health Care Use for Physician-Referred and Self-Referred Episodes of Outpatient Physical Therapy

Jane Pendergast, Stephanie A. Kliethermes, Janet K. Freburger, and Pamela A. Duffy

Objective. To compare patient profiles and health care use for physician-referred and self-referred episodes of outpatient physical therapy (PT).

Data Source. Five years (2003–2007) of private health insurance claims data, from a Midwest insurer, on beneficiaries aged 18–64.

Study Design. Retrospective analyses of health care use of physician-referred ($N = 45{,}210$) and self-referred ($N = 17{,}497$) ambulatory PT episodes of care was conducted, adjusting for age, gender, diagnosis, case mix, and year.

Data Collection/Extraction. Physical therapy episodes began with the physical therapist initial evaluation and ended on the last date of service before 60 days of no further visits. Episodes were classified as physician-referred if the patient had a physician claim from a reasonable referral source in the 30 days before the start of PT.

Principal Findings. The self-referred group was slightly younger, but the two groups were very similar in regard to diagnosis and case mix. Self-referred episodes had fewer PT visits (86 percent of physician-referred) and lower allowable amounts ($0.87 for every $1.00), after covariate adjustment, but did not differ in related health care utilization after PT.

Conclusions. Health care use during PT episodes was lower for those who self-referred, after adjusting for key variables, but did not differ after the PT episode.

Key Words. Access to care, physical therapy, physician referral, direct access